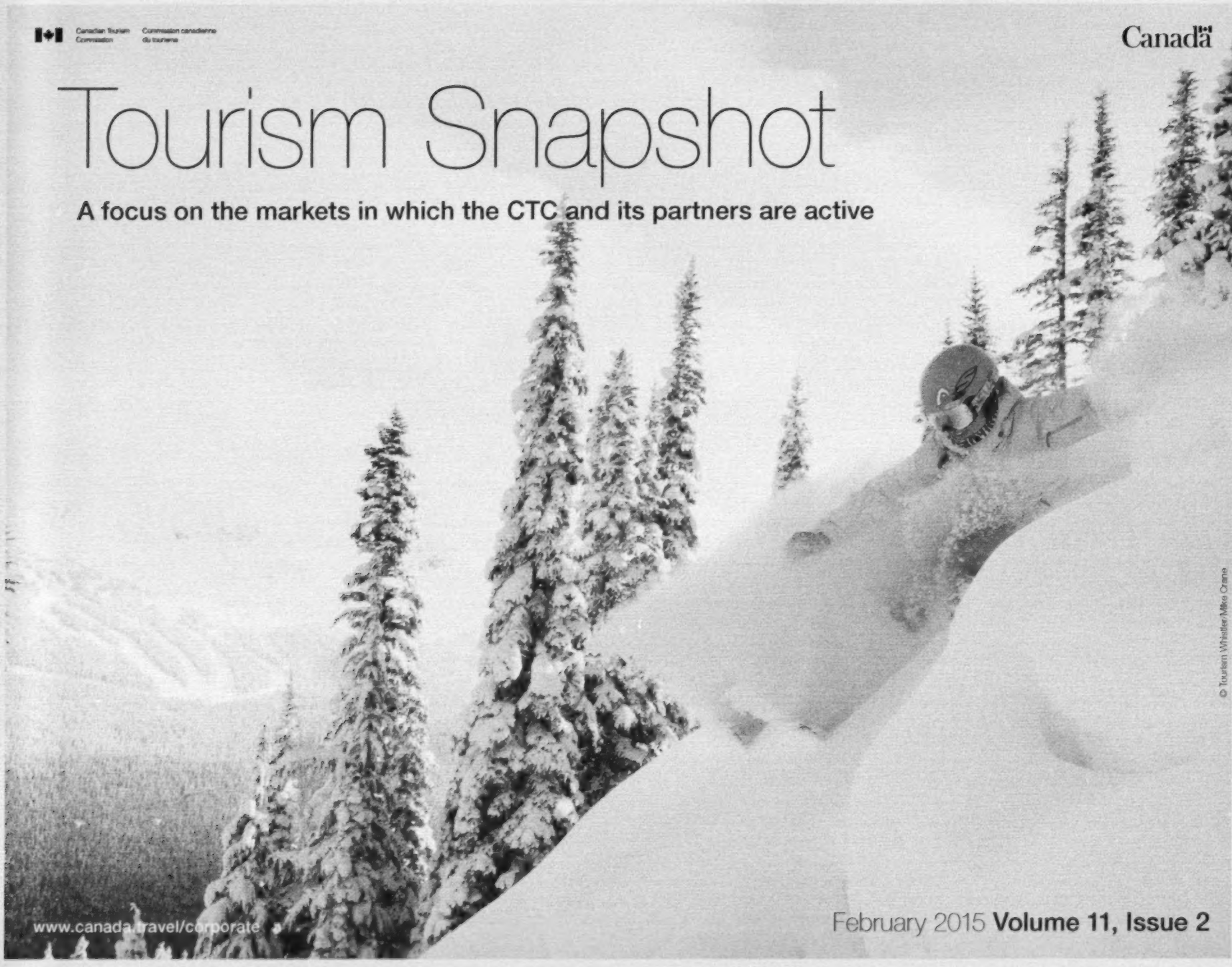
Canadian Tourism Commission | Commission canadienne du tourisme

Canada

Tourism Snapshot

A focus on the markets in which the CTC and its partners are active



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Key highlights

- The strong beginning of year for international visitation to Canada continued into February, with total international arrivals increasing 7.5% relative to the same month in 2014. Year-to-date February 2015, total international arrivals are up 6.1%.
  - Overnight arrivals from CTC's overseas markets increased 16% in February 2015 and 9.7% in the two first months of the year.
  - Overnight arrivals from the US, which represents 67% of international visitors to Canada, edged up 5% in February 2015 and 5.3% YTD, with strong gains from both air and car arrivals.
- Gains were registered in all four regions where the CTC is active, with Latin America (+21.9%) and Asia-Pacific (+21.7%) leading the way, followed by Europe (+9.4%) and the US (+5.0%), resulting in overall growth totalling 7.4% in February.
- In the two first months of 2015, total arrivals from the 11 CTC markets rose 6.4%, with Latin America recording top growth (+19.4%), followed by Asia-Pacific (+10.7%), Europe (+6.3%) and the US (+5.3%).
- In Asia-Pacific, the notable growth in overnight arrivals from China (+57.8%) can be attributed the Chinese New Year, a national holiday resulting in many Chinese travelling out of country in mid-February this year. Year-to-date, arrivals from China are up 20.3% relative to 2014.
- In Latin America, the CAN+ Visa program now in effect together with the direct air service recently introduced between Toronto and Rio de Janeiro worked to facilitate robust growth from Brazil (+32.1%) and Mexico (+15.7%) in February 2015. Over the first two months of 2015, arrivals from Brazil and Mexico are up 27% and 13.5% year over year, respectively.
- In Europe, France (+14.5%) and the UK (+9.4%) registered solid visitation growth while arrivals from Germany (-1.2%) edged down relative to February 2014. YTD February 2015, arrivals are up 12.7% from France and 4.2% from the UK, but down 1.3% from Germany.
- Overnight arrivals from the US gained momentum in February 2015 (+5.0%) amid a more favourable exchange rate for US visitors to Canada, with gains in automobile arrivals (+4.7%) and air arrivals (+7.4%), but losses in arrivals by other modes of transport (-5.3%) compared to a year earlier. In the first two months of the year, total arrivals from the US are up 5.3%, with gains in arrivals by air (+7.3%) and automobile (+5.4%) but a decline in arrivals by other modes (-5.0%) relative to the same period in 2014.

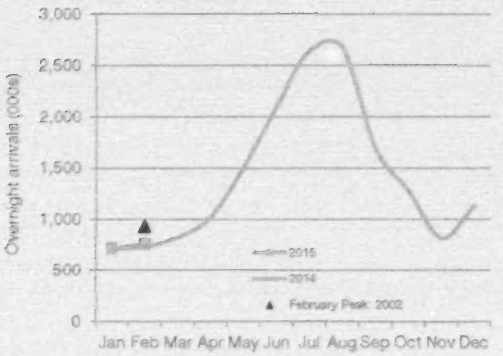
Tourism review Inbound highlights

Overnight trips to Canada

	Feb. 2015	15/14 Feb. % Change	Jan. - Feb. 2015	Year-to-date % Change
United States				
Automobile	299,807	4.7	572,501	5.4
Air	177,841	7.4	351,047	7.3
Other	29,446	-5.3	59,561	-5.0
US Total	**507,094**	**5.0**	**983,109**	**5.3**
Europe Markets*				
UK	30,012	9.4	56,043	4.2
France	29,347	14.5	50,187	12.7
Germany	11,907	-1.2	22,658	-1.3
Europe Total	**71,266**	**9.4**	**128,888**	**6.3**
Asia-Pacific Markets*				
Japan	13,966	0.2	24,523	2.0
South Korea	8,797	8.2	19,179	7.1
China	34,282	57.8	58,304	20.3
India	7,359	5.3	15,197	11.0
Australia	11,084	-1.6	30,609	4.0
Asia-Pacific Markets Total	**75,488**	**21.7**	**147,812**	**10.7**
Latin America Markets*				
Mexico	9,115	15.7	19,370	13.5
Brazil	6,347	32.1	16,549	27.0
Latin America Markets Total	**15,462**	**21.9**	**35,919**	**19.4**
Overseas Key Markets	**162,216**	**16.0**	**312,619**	**9.7**
Total 11 CTC Markets	**669,310**	**7.4**	**1,295,728**	**6.4**
Other Overseas Countries	85,532	8.5	170,854	4.4
Non-US Countries	247,748	13.3	483,473	7.8
Total Countries	**754,842**	**7.5**	**1,466,582**	**6.1**

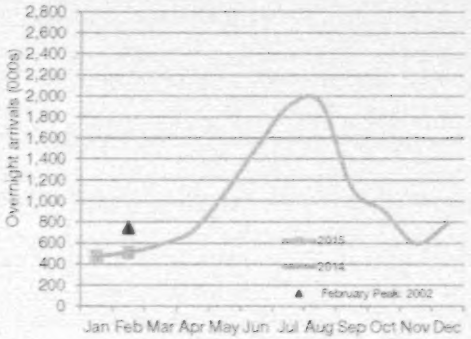
Note: Statistics Canada preliminary estimates.
* In previous editions, Asia-Pacific and Latin America Markets were referred to as "Emerging/Transition" Markets and the "Core Markets" included Europeans markets and Australia. As of January 2015, markets grouping were reclassified on a geographic basis.
Source: Statistics Canada, International Travel Survey.

International trips



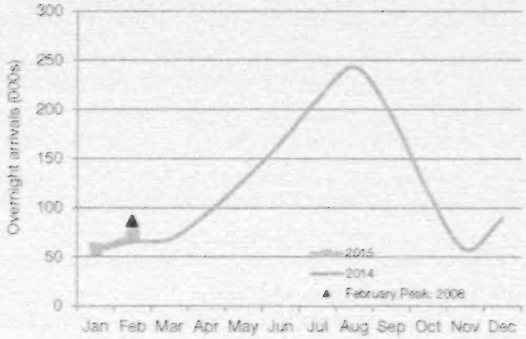
- Canada welcomed 754,842 international visitors in February 2015, up 7.5% compared to the same month in 2014. In the two first months of 2015, Canada drew 1,466,582 international visitors, up 6.1% relative to 2014. The international visitor peak on record during the month of February is 927,500 visitors, which occurred in 2002.
- In February 2015, overnight arrivals from CTC's European markets increased 9.4% thanks to strong growth in arrivals from France (+14.5%) and the UK (+9.4%), and despite a minor decline from Germany (-1.2%).
- Overnight arrivals from CTC markets in Asia-Pacific (+10.5%) and Latin America (+19.4%) grew significantly in February, achieving the highest level of arrivals for that month ever, thanks to strong growth from China (+57.8%), Brazil (+32.1%), Mexico (+15.7%), South Korea (+8.2%) and India (+5.3%).

United States



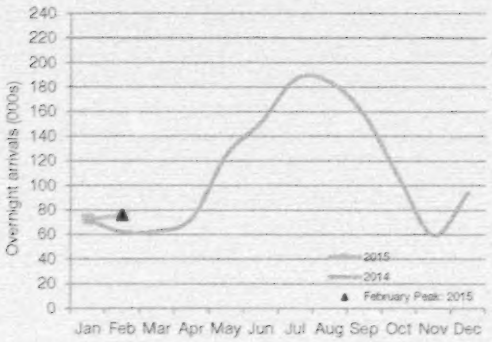
- In February 2015, gains in US arrivals by automobile (+4.7%) and air (+7.4%) offset losses of 5.3% in arrivals by other modes of transport (which include buses trains and cruise ships), resulting in a 5% increase in total US overnight arrivals over February 2014. The improvement from the US occurred amid a more favourable exchange rate for US visitors, with the US dollar gaining 12% in purchasing power against the Canadian dollar in February 2015 relative to the same month in 2014.
- Over 507,000 US overnight visitors travelled to Canada in February 2015. The US visitor peak on record during the month of February occurred in 2002 with 742,000 overnight trips.

Europe Markets



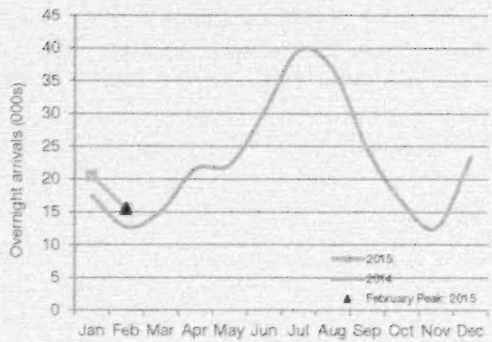
- Two of the three CTC markets in Europe registered gains in February 2015. Amid a weaker euro (but stable British pound) relative to the Canadian dollar, France arrivals rose 14.5% and UK arrivals increased 9.4%, while visits from Germany declined 1.2% relative to February 2014.
- In February 2015, Canada greeted some 71,300 visitors from CTC Europe markets, about 83% of the peak year level of 86,000 recorded in February 2008.

Asia-Pacific Markets



- With Australia bucking the trend, arrivals grew in four of the five CTC markets in Asia-Pacific in February 2015.
- Arrivals from Japan (+0.2%) were flat in February after several months of strong growth facilitated by increased air capacity between Tokyo (Haneda) and Vancouver/Toronto in recent months. During January and February 2015, overnight visitation from Japan rose 2% compared to the same period in 2014.
- In February 2015, India (+5.3%) continued to post strong visitation growth. The launch of the CAN+ Visa program in India in July 2014 has contributed to sustained growth over the past few months. Year-to-date February 2015, arrivals from India are up 11%.
- Arrivals from China increased a staggering 57.8% in February 2015 compared to a year ago. This can be attributed to a typical visitation pattern over the first two months of the year, one in which Chinese visitors put off their trip to Canada until the Chinese New Year, a national holiday. The Chinese New Year took place in mid-February this year, whereas it fell at the end of January in 2014. Strong arrival numbers from China in February followed a decline in January 2015, which was also due to the date change of Chinese New Year. Year-to-date, arrivals from China are up 20.3% relative to 2014.
- South Korea registered an increase in arrivals (+8.2%) in February 2015, which was facilitated by a slight increase in air capacity on Seoul-Vancouver flights in recent months. During January and February 2015, arrivals from South Korea increased 7.1% relative to the same period last year.
- Amid Australia hosting the popular 2015 Cricket World Cup, arrivals from Australia declined 1.6% in February. Poor ski conditions in Western Canada in February further impacted visitation from that country during the Australian vacation period. Year-to-date February 2015, arrivals from Australia are up 4%.
- In February 2015, the number of visitors from the five Asia-Pacific markets reached a new peak for that month with about 75,500 overnight visitors to Canada, a gain of 21.7% over the previous peak established in 2014.

Latin America Markets



- Overnight arrivals from CTC's two Latin American markets expanded by 21.9% in February 2015, 19.4% YTD.
- The CAN+ Visa program implemented in May 2014 in Mexico continued to facilitate the strong growth (+15.7%) in visitors from that country in February—the tenth consecutive month of double-digit growth. In the first two months of 2015, arrivals from Mexico increased 13.5%.
- Visitation from Brazil was facilitated by the launch of a pilot project of the CAN+ Visa program in that country in recent months as well as the new Rio de Janeiro-Toronto flight launched in December 2014, leading to an impressive 32.1% increase in arrivals in February 2015. In the first two months of the year, arrivals from Brazil increased 27%.
- In February 2015, the number of visitors from CTC's Latin American markets established a new peak for that month with 15,462 overnight visitors, surpassing by 1% the peak previously achieved in 2008.

Peak Year Review of Overnight Trips to Canada by Market – January to February

	Europe			United States		Asia Pacific					Latin America	
Markets	France	Germany	United Kingdom	Total	Air Only	Australia	China	India	Japan	South Korea	Mexico	Brazil
Previous Peak Year	2012	1996	2008	2003	2005	2014	2014	2014	1997	2007	2008	2013
Arrivals During Previous Peak Year	50,156	25,871	87,105	1,319,685	451,361	29,437	48,484	13,693	53,153	24,576	25,464	13,573
YTD February 2015 Total Arrivals	50,187	22,658	56,043	983,109	351,047	30,609	58,304	15,197	24,523	19,179	19,370	16,549
Current % of Previous Peak	100.1%	87.6%	64.3%	74.5%	77.8%	104.0%	120.3%	111.0%	46.1%	78.0%	76.1%	121.9%

Note: Statistics Canada preliminary figures.
Sources: Statistics Canada.

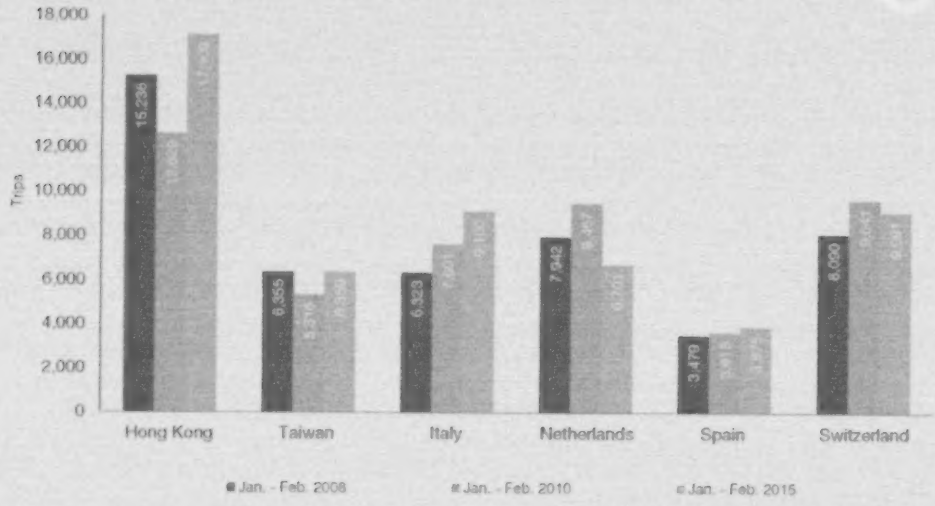
Peak achieved during 2015

- During January and February 2015, five markets—France, Australia, India, Brazil and China—achieved their highest-ever level of overnight arrivals.
- Arrivals from the UK, Germany, Mexico, South Korea and the US achieved 64% to 88% of their respective peaks, recorded in 2008, 1996, 2008, 2007 and 2003 respectively.
- US arrivals by air during the two first months of 2015 totalled over 350,000 overnight visits to Canada, which was 100,000 visits shy of the peak recorded in 2005.
- Arrivals from Japan achieved 46% of the peak recorded in 1997.

Market Watch

- In February 2015, two of the four secondary European markets recorded gains compared to February 2014. Arrivals from Italy (+19.9%) and Switzerland (+4.5%) rose, while overnight visits from the Netherlands (-3.9%) and Spain (-4.4%) declined.
- During the two first months of the year, gains were registered from Italy (+19.3%) and Switzerland (+6.4%), while minor losses were recorded from Spain (-2.5%) and the Netherlands (-0.6%).
- In February 2015, both secondary Asian markets registered strong visitation growth due to the Chinese New Year holiday shifting to February this year. Arrivals from Hong Kong rose 75% and visits from Taiwan rose 50.8% relative to February 2014.
- During the first two months of 2015, arrivals from Hong Kong and Taiwan rose 13.9% and 15.6% respectively relative to 2014.

Overnight trips to Canada, by selected markets



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Overnight trips to Canada, by selected markets

	Feb. 2015	15/14 Feb. % Change	Jan. - Feb. 2015	Year-to-date % Change
Italy	4,187	19.9	9,100	19.3
Netherlands	1,829	-4.4	3,875	-2.5
Spain	3,465	-3.9	6,701	-0.6
Switzerland	4,908	4.5	9,091	6.4
Hong Kong	11,038	75.0	17,109	13.9
Taiwan	3,833	50.8	6,359	15.6

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

International Arrivals by Province of Entry to Canada

Non-Residents Overnight Arrivals to Canada by province of Entry, January to February 2015

	Total One or more nights			US Residents by Automobile			US Residents by Non-Automobile			Residents from Other Countries		
	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014
Newfoundland	3,648	15.6%	492	-	-	-	943	27.4%	203	1,386	1.2%	16
Prince Edward Island	23	360.0%	18	-	-	-	-	0.0%	-	23	0.0%	18
Nova Scotia	5,582	4.3%	232	-	-	-	3,426	18.9%	545	1,062	-20.7%	(277)
New Brunswick	8,553	-8.0%	(745)	8,107	-5.4%	(464)	317	-43.6%	(245)	68	30.8%	16
Quebec	238,422	4.1%	9,381	87,797	4.0%	3,400	64,098	-1.3%	(866)	47,559	8.5%	3,720
Ontario	642,965	6.6%	39,877	259,866	4.6%	11,453	184,900	5.5%	9,634	97,778	15.7%	13,239
Manitoba	16,289	10.2%	1,501	8,749	11.1%	875	6,558	11.4%	670	463	-12.6%	(67)
Saskatchewan	7,385	8.1%	551	2,801	0.0%	1	3,649	1.6%	56	137	-28.3%	(54)
Alberta	80,178	-1.6%	(1,289)	6,119	-1.2%	(72)	46,968	-2.5%	(1,212)	14,089	1.8%	247
British Columbia	461,152	8.1%	34,492	196,950	7.5%	13,715	99,686	13.6%	11,917	85,077	16.7%	12,174
Yukon	2,385	11.8%	251	2,112	11.2%	213	63	70.3%	26	106	5.0%	5
Canada	**1,466,582**	**6.1%**	**84,761**	**572,501**	**5.4%**	**29,121**	**410,608**	**5.3%**	**20,728**	**247,748**	**13.3%**	**29,037**

Source: ITS Border Counts, February 2015, Statistics Canada

- During the two first months of 2015, the largest increases in total international arrivals to Canada were recorded through Ontario (+39,877, +6.6%), British Columbia (+34,492, +8.1%) and Quebec (+9,381, +4.1%).
  - Ontario and BC registered gains in US arrivals by automobile and non-automobile modes as well as from overseas.
  - Quebec recorded growth in US arrivals by automobile, but a slight decline in US arrivals by non-automobile modes. Arrivals from overseas grew 8.5% compared to 2014.
- Alberta (-1.6%) and New Brunswick (-8.0%) were the only two provinces to see a contraction of total international arrivals during the two first months of the year. In both provinces, the declines were relatively small in real terms and may have been caused by harsh winter weather conditions during January and February 2015.

Competitive review (January - December 2014)

Information updated to January 2015 was unavailable at time of writing due to delays in the releases of inbound arrivals figures for the month of January from the Australian Bureau of Statistics (ABS) and from the US Office of Travel and Tourism Industries (OTTI). Therefore, we included the competitive review comparing inbound statistics for Canada and the US for the full year 2014.

International Travel (in thousands)

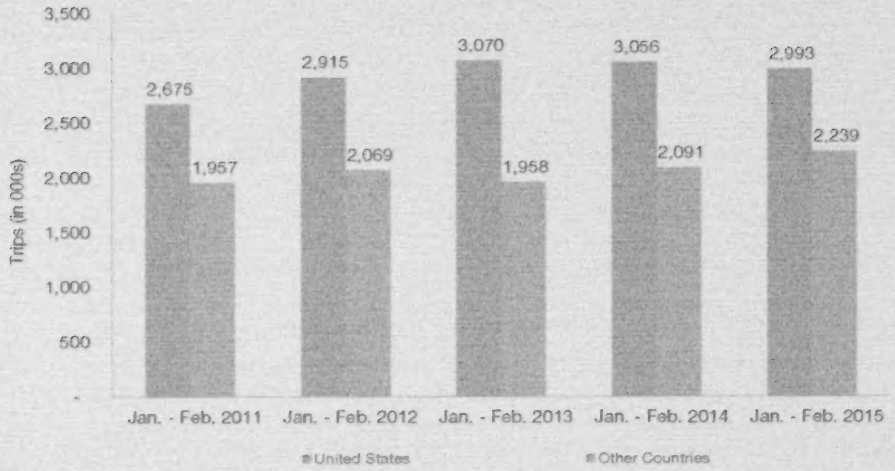
	Trips To:			
	Canada		United States	
Trips From:		14/13 Change		14/13 Change
Europe				
United Kingdom	676,328	4.7%	3,972,655	3.6%
France	482,362	5.0%	1,624,604	8.0%
Germany	326,808	5.0%	1,968,536	2.7%
Total Europe	**1,485,498**	**4.9%**	**7,565,795**	**4.3%**
Asia-Pacific				
Australia	280,808	6.3%	1,276,124	5.9%
Japan	258,457	14.9%	3,579,363	-4.0%
South Korea	163,089	12.8%	1,449,538	6.6%
China	454,030	28.8%	2,188,387	21.0%
India	175,536	19.3%	961,790	11.9%
Total Asia-Pacific	**1,331,920**	**17.5%**	**9,455,202**	**5.5%**
Latin America				
Mexico	172,604	14.4%	17,334,495	19.2%
Brazil	99,901	6.6%	2,263,865	9.9%
Total Latin America	**272,505**	**11.4%**	**19,598,360**	**18.0%**
Total CTC Overseas Markets	**5,907,341**	**41.6%**	**53,640,354**	**-8.1%**
Total CTC Markets	**14,604,495**	**2.3%**	**59,622,412**	**6.0%**

..Not applicable.
n/a - not available.
Note: Statistics Canada preliminary figures.
Sources:
Statistics Canada, International Travel Survey Frontier Counts
U.S. Department of Commerce, ITA, National Travel and Tourism Office

- During 2014, the US registered a large increase in total international arrivals (+6.9%), outpacing the growth rate recorded in Canada (+3.2%) over 2013.
- In CTC key markets, the US registered a 6% increase, while arrivals to Canada from these markets rose 2.7% relative to 2013.
- The US posted a decline in arrivals from Canada (-1.8%) from January to December 2014. In comparison, US arrivals to Canada increased 0.9% during the same period.
- From January to December 2014, the US registered larger gains than Canada in arrivals from Mexico (+19.2% vs +14.4%), France (+8.0% vs +5.0%) and Brazil (+9.9% vs +6.6%) relative to 2013.
- Canada registered larger gains than the US in arrivals from all other CTC key markets during 2014, particularly outpacing the US on arrivals from Japan (+14.9% vs -4.0%), South Korea (+12.8% vs +6.6%), China (+28.8% vs +21.0%) and India (+19.3% vs 11.9%).

Canadian outbound trips

Overnight trips by Canadians



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Overnight trips by Canadians

	Feb. 2015	15/14 Feb. % Change	Jan. - Feb. 2015	Year-to-date % Change
United States	1,421,164	-3.4	2,993,373	-2.0
Other Countries	1,027,102	6.1	2,239,330	7.1
Total Trips from Canada	2,448,266	0.4	5,232,703	1.7

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

- In February 2015, Canadian outbound travel increased 0.4% over the same month last year to 2.45 million trips.
- Many Canadians chose an overseas destination over the US amid the Loonie losing 12% of its purchasing power against the US dollar in February 2015. While the number of overnight trips by Canadians to the US declined by 3.4% year-over-year, it increased by 6.1% to overseas destinations.
- In the first two months of 2015, outbound trips by Canadian residents rose 1.7% compared to 2014 to 5,232,703. The number of trips south of the border declined 2%, while trips to other destinations increased 7.1% relative to 2014.
- In February 2015, most Canadian residents returned to the country from overseas through Ontario (478,000 re-entries, +8.3%), Quebec (227,000 re-entries, +4.5%) and BC (147,000 re-entries, +4.8%).
- In February 2015, Canadian residents returning home from the US primarily re-entered Canada through Ontario (670,000 re-entries, -2.4%), BC (311,000 re-entries, -3.4%) and Quebec (174,000 re-entries, -4.3%).

Consumer outlook

Consumer confidence

- **Canada:** The index of consumer confidence declined 11.4 percentage points in February to land at 95.6 (2014 = 100), amid signs of a slowing Canadian economy since the beginning of the year.
- **USA:** The Conference Board Consumer Confidence Index slipped in February 2015 following a surge in January, month over month. The index stood at 98.8 (1985=100) in February, down from 103.8 a month earlier, signaling some unease among consumers in the US economy.

Sources: Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada.

Accommodations

- In February 2015, the National Occupancy Rate remained flat at 57.8%. BC registered the largest increase (+4.0 points), followed by Manitoba (+2.2 points) and Quebec (+1.9 points).
- During January and February 2015, the National Occupancy Rate also remained relatively flat (-0.1 points to 53.6%) compared with the previous year. BC (+3.5 points), Manitoba (+2.2 points) and Quebec (+1.9 points) recorded the largest gains in hotel occupancy during the two first months of the year.
- During the first two months of 2015, the National Average Daily Rate rose to $133.07, up 3% compared to 2014. BC (+12.5%) and Ontario (+4.0%) recorded the highest increases in average daily hotel rates.
- During the same two months, the National Average Revenue per Available Room (RevPAR) was $71.31 (+3.0%), with BC (+12.5%, $75.45) posting the largest growth, followed by Quebec (+6.9%, $77.48) and Manitoba (+6.7%, $65.94).

Canadian Occupancy Rates, By Province*

	Feb. 2015	15/14 Change^	Jan. - Feb. 2015	Year-to-date Change^
Alberta[1]	60.0	-6.0	56.7	-5.6
British Columbia	59.3	4.0	54.9	3.5
Saskatchewan	56.9	-4.7	54.0	-4.0
Manitoba	60.1	2.2	55.5	2.2
Ontario	53.2	0.0	53.2	0.0
Quebec	55.7	1.9	55.7	1.9
New Brunswick	38.9	-3.8	38.9	-3.8
Nova Scotia	49.8	-0.8	44.1	-1.9
Newfoundland	53.6	0.7	50.0	1.3
Prince Edward Island	31.2	-9.9	34.5	0.9
Northwest Territories	79.3	-1.9	63.7	-6.9
Yukon	61.6	0.6	46.3	-4.9
Canada	**57.8**	**0.0**	**53.6**	**-0.1**

* Note: Based on the operating results of 221,876 rooms (unweighted data).
^ Percentage points.
[1] Excluding Alberta resorts.
Source: PKF Consulting Inc. with reproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.

CTC Market Research & Evaluation